

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.
White Castle, Louisiana

FINANCIAL REPORT
(Compiled)

September 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 29 2012**

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.

White Castle, Louisiana

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors

Bayou Goula Volunteer Fire & Rescue Services, Inc.
White Castle, Louisiana

We have compiled the accompanying statements of financial position of the **BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.** (a non-profit organization) (Department) as of September 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
January 7, 2011

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.

White Castle, Louisiana

STATEMENTS OF FINANCIAL POSITION

September 30, 2011 and 2010

(See Independent Accountants' Compilation Report)

ASSETS

	<u>2011</u>	<u>2010</u>
CURRENT ASSETS		
Cash	\$ 151,317	\$ 167,961
Certificates of deposit	14,287	12,665
Due from Iberville Parish Council	10,299	10,079
Prepaid and other assets	<u>133</u>	<u>324</u>
 Total current assets	 176,036	 191,029
 PROPERTY AND EQUIPMENT- net	 <u>266,905</u>	 <u>289,109</u>
 Total assets	 <u><u>\$ 442,941</u></u>	 <u><u>\$ 480,138</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Current portion of capital lease	\$ 27,514	\$ 26,179
 CAPITAL LEASE - net of current portion	 <u>197,190</u>	 <u>224,705</u>
 Total liabilities	 224,704	 250,884
 NET ASSETS - unrestricted	 <u>218,237</u>	 <u>229,254</u>
 Total liabilities and net assets	 <u><u>\$ 442,941</u></u>	 <u><u>\$ 480,138</u></u>

The accompanying notes to the financial statements
are an integral part of this statement.

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.

White Castle, Louisiana

STATEMENTS OF ACTIVITIES

For the years ended September 30, 2011 and 2010

(See Independent Accountants' Compilation Report)

	<u>2011</u>	<u>2010</u>
REVENUES AND SUPPORT		
Sales tax proceeds and public support	\$ 131,379	\$ 153,256
In-kind support	13,500	13,500
Interest	<u>1,266</u>	<u>1,558</u>
Total revenues and support	<u>146,145</u>	<u>168,314</u>
EXPENSES		
Depreciation	42,153	41,484
Supplies	20,882	16,815
Maintenance	20,832	27,572
Payroll	16,440	13,082
Rent	13,500	13,590
Interest	12,794	14,065
Office	11,311	13,799
Contribution to White Castle VFD	6,524	5,981
Training	6,351	5,949
Professional fees	2,650	2,510
Other	<u>3,725</u>	<u>6,031</u>
Total expenses	<u>157,162</u>	<u>160,878</u>
(Decrease) increase in net assets	(11,017)	7,436
NET ASSETS		
Beginning of year	<u>229,254</u>	<u>221,818</u>
End of year	<u>\$ 218,237</u>	<u>\$ 229,254</u>

The accompanying notes to the financial statements
are an integral part of this statement.

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.

White Castle, Louisiana

STATEMENTS OF CASH FLOWS

For the years ended September 30, 2011 and 2010

(See Independent Accountants' Compilation Report)

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) increase in net assets	\$ (11,017)	\$ 7,436
Adjustments to non-cash items:		
Depreciation	42,153	41,484
Change in operating assets and liabilities:		
Due from Iberville Parish Council	(220)	(6,056)
Prepaid expense and other assets	191	(324)
Accounts payable	-	(870)
Net cash provided by operating activities	<u>31,107</u>	<u>41,670</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(19,949)	(2,696)
Investments in certificates of deposit	<u>(1,622)</u>	<u>(203)</u>
Net cash used by investing activities	<u>(21,571)</u>	<u>(2,899)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on capital lease	<u>(26,180)</u>	<u>(24,909)</u>
Net (decrease) increase in cash	(16,644)	13,862
Beginning of year	<u>167,961</u>	<u>154,099</u>
End of year	<u>\$ 151,317</u>	<u>\$ 167,961</u>
SUPPLEMENTAL DATA:		
Interest paid	<u>\$ 12,794</u>	<u>\$ 14,065</u>

The accompanying notes to the financial statements
are an integral part of this statement.

BAYOU GOULA VOLUNTEER FIRE & RESCUE SERVICES, INC.

White Castle, Louisiana

NOTES TO FINANCIAL STATEMENTS

(See Independent Accountants' Compilation Report)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

Bayou Goula Volunteer Fire & Rescue Services, Inc. (the Department), is a non-profit corporation that provides fire protection, emergency medical service, and hazardous materials handling to the citizens of south Iberville Parish that are outside of the Town of White Castle.

Basis of accounting

The Department maintains its financial statements and related records on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable and expenses are recognized in the period incurred, if measurable.

The Department reports information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Department does not have any temporarily or permanently restricted net assets at September 30, 2011 and 2010.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for depreciation and in-kind support in these financial statements.

Income Taxes

The Department is a not-for-profit organization that is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code and classified as other than a private foundation.

The Department follows the provisions of FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Management believes it has no material uncertain tax positions and, accordingly, has not recognized a liability for any unrecognized tax benefits. The Department's open audit periods are 2008 through 2010.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

The Department is primarily funded by an allocation of dedicated parish-wide sales tax proceeds. Supplementary funding is provided by donations solicited from the general public, local businesses, and civic organizations, which are recognized when received.

Cash and cash equivalents

For purposes of the statement of cash flows, the Department considers cash in bank accounts as cash. Cash equivalents include investments with original maturities of three months or less. The Department has no cash equivalents at September 30, 2011 and 2010. The Department typically maintains cash at a local bank that may, at times, exceed the FDIC limits. Management believes the risk is limited.

Fair value of financial instruments

The carrying value of cash, receivables, prepaid and other assets, and accounts payable approximates fair value due to the short-term maturity of these instruments. The carrying value of short and long-term debt approximates fair value based on the current rates offered for debt of comparable maturities and collateral requirements. Financial instruments are not held for trading purposes.

Property, equipment, and depreciation

Equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated service lives of the assets.

NOTE 2 - CERTIFICATES OF DEPOSIT

At September 30, 2011 and 2010, the Department held certificates of deposit (CD) with a market value and cost of \$14,287 and \$12,665, respectively. Interest earnings are reinvested into the CD when paid.

(Continued)

NOTE 3 - PROPERTY AND EQUIPMENT

A summary of property, related service lives, and accumulated depreciation at September 30, 2011 and 2010, is as follows:

Description	Estimated Service Lives	2011	2010
Leasehold improvements	15 years	\$ 9,474	\$ -
Fire truck - pledged	10 years	299,493	299,493
Equipment	5-7 years	69,828	59,353
		378,795	358,846
Less accumulated depreciation		(111,890)	(69,737)
		<u>\$ 266,905</u>	<u>\$ 289,109</u>

Depreciation expense was \$42,153 and \$41,484 for the years ended September 30, 2011 and 2010, respectively.

A fire truck was purchased during 2009 for \$299,493, under a capital lease arrangement. Amortization of such equipment is included in depreciation expense. Accumulated amortization for such equipment was \$72,377 and \$42,428 at September 30, 2011 and 2010, respectively.

NOTE 4 - CAPITAL LEASE

A summary of the capital lease at September 30, 2011 and 2010 is as follows:

	2011	2010
Lease payable in annual installments of \$38,974 including interest at 5.1%, maturing in May 2018, secured by the fire truck.	\$ 224,704	\$ 250,884
Less current maturities	(27,514)	(26,179)
Long-term portion	<u>\$ 197,190</u>	<u>\$ 224,705</u>

NOTE 4 - CAPITAL LEASE (CONTINUED)

The future maturities of the capital lease are as follows:

<u>September 30,</u>	<u>Amount</u>
2012	\$ 27,514
2013	28,918
2014	30,392
2015	31,942
2016	33,571
2017 and after	<u>72,367</u>
Total	<u>\$ 224,704</u>

The future minimum lease payments, inclusive of interest expense, are \$272,820; the interest component is \$48,116 and annual payments are \$38,974 through 2018.

NOTE 5 - RELATED PARTY TRANSACTIONS

The Department receives allocated sales tax proceeds from the Iberville Parish Council (IPC) in exchange for providing fire protection to certain areas of Iberville Parish extending beyond the city limits of White Castle.

IPC contributed the use of facilities during the years ended September 30, 2011 and 2010 to the Department. The value of this contributed support has been recognized at the fair market value of the benefit received, which was approximately \$13,500 each year.

IPC and the Department entered into a capital lease arrangement during 2009 for the purchase of a fire truck. An agreement was made between IPC and the Department, whereby IPC collects taxes and pays the insurance expense of the fire truck, but remits the rest to the Department. The lease and the fire truck are recorded on the Department's financial statements.

The Department is a co-signer on a note payable with the White Castle Volunteer Fire Department, Inc. (WCVFD). The loan was obtained to finance the construction of a training facility that will be utilized by both entities. The loan has been recorded in WCVFD's financial statements as all proceeds and construction disbursements are being recorded by WCVFD. The Department has paid half of the monthly payments. These payments have been recorded in the financial statements as a contribution to WCVFD from the Department, and totaled \$3,458 and \$3,170 for the years ended September 30, 2011 and 2010, respectively.

NOTE 5 - RELATED PARTY TRANSACTIONS (CONTINUED)

During 2010, the Department co-signed on a second note payable with WCVFD. The loan was obtained to finance a vehicle that will be utilized by both entities. The loan has been recorded in WCVFD's financial statements. The Department has paid half of the monthly payments. These payments have been recorded in the financial statements as a contribution to WCVFD from the Department, and totaled \$3,066 and \$2,811 for the years ended September 30, 2011 and 2010, respectively.

NOTE 6 - ECONOMIC DEPENDENCY

The Department derives a significant portion of its revenues from a dedicated parish-wide sales tax, the loss of which would have a material adverse affect. During the years ended September 30, 2011 and 2010, revenue derived from governmental sources (the Iberville Parish Council) accounted for approximately 99% of total revenue and 100% of amount due from Iberville Parish Council for both years.

NOTE 7 - SUBSEQUENT EVENTS

In preparing the financial statements, the Department has evaluated events and transactions for potential recognition or disclosure through January 7, 2011, the date the financial statements were available to be issued.